

Commercial Linkage Fee

March 5, 2019

Item 4.3



History

**September 11,
2018**

The City Council considered a Civil Grand Jury report on the affordable housing crisis which discussed commercial linkage fees.

December 27, 2018

The City Council directed staff to return with a scope, timeline and budget for nexus and feasibility studies for a Commercial Linkage Fee

March 5, 2019

The City Council maintained Commercial Linkage Fee on the Council Policy Priority List as Priority #8.

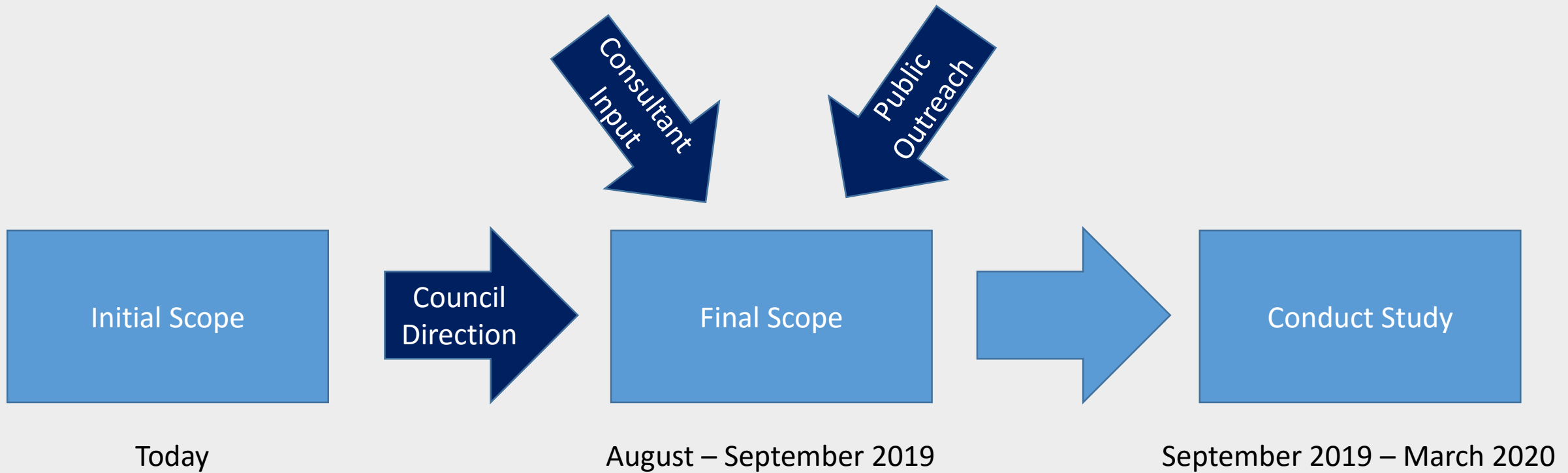
Definitions

- **Nexus Study:** establishes the basis for the fee by assessing how new commercial development increases the need for affordable housing and provides evidence of a reasonable relationship between the need for affordable housing and the type of development.
- **Feasibility Study:** assesses the affect a Commercial Linkage Fee might have on the feasibility of new commercial development. It assesses the costs and revenues associated with new development and attempts to determine whether the addition of a fee would deter development.

Timeline

| Estimated Time | Task |
|-----------------------------|---|
| March – June 2019 | Conduct consultant procurement process |
| June – July 2019 | Negotiate consultant contract |
| August – September 2019 | Conduct initial outreach, confirm study design |
| September 2019 – March 2020 | Consultant conducts study, including data gathering, analysis and drafting. Update to the Community and Economic Development committee in fall 2019 |
| March – April 2020 | Internal staff review, additional outreach and finalize study |
| April – June 2020 | Development of staff recommendations, release of draft study, and additional outreach |
| June 2020 | Report findings and recommendation to City Council |

Scope

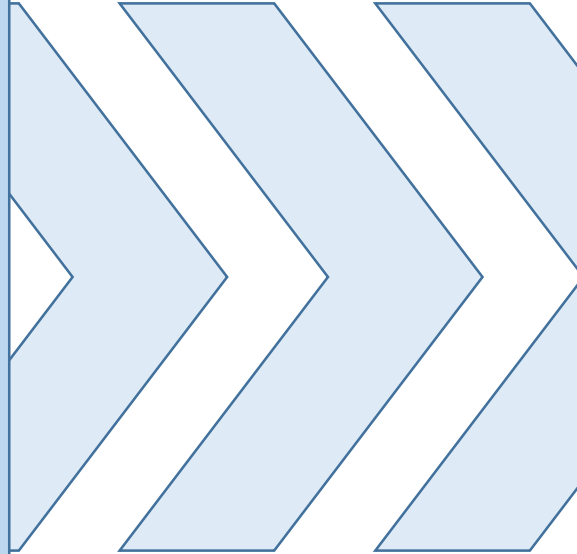


Scope

Initial Scope

Staff has developed an initial, high-level scope for the Council's review, including:

- List of 16 potential prototypes
- Study multiple geographic areas
- Study multiple fee levels
- Include all other City fees in the model



Final Scope

Final scope would include elements from initial scope, with the following refinements:

- Narrow list of prototypes down to 8 or less
- Determine how High Tech Office could be incorporated into prototype list
- Finalize list of geographic areas for study